Trip Report

Tunisia

April 22 –28 2012

M12GX-N42ME, F12GX-ME4IN

A. Travellers

William Almond – Almond Bros. Lumber Company
Vince Almond – Almond Bros. Lumber Company
Wayne Lancaster – Atlas Trading International
Scott Moe – Atlas Trading International
Ken McNabb – Auburn University
Shehzad Bhayani – Aveesa & Ezyan Ali Enterprises
Travis Hall – Klumb Lumber Company
Abdool Dawany – Ontario Project Management Ltd.
Robert Bishop – Gulf South forest Products
Norikazu Yoshikawa – Tumac Lumber Company
Richard Kleiner – Southern Forest Products Association
Charles Trevor – American Softwoods

B. Purpose of Travel

To investigate the potential for lumber sales by US exporters to Tunisia.

C. Itinerary

April 22 Travel from USA/UK to Tunis, Tunisia
April 23-27 Visits to Tunisian importers and agents in Tunis and Sfax.
D. Summary of the mission/Observations

Tunisia is an interesting country. Having had two dictators since independence from the French in 1956, followed by the revolution of 14 January 2011 when President Ben Ali was expelled from the country, the country is experiencing a degree of uncertainty on its journey towards democracy. Tunisia is a society in transition.

With a talented and well educated middle class, Tunisia could be a significant market for exports of American softwoods.

The Ennahada party comprises the largest grouping in the Tunisian parliament. It can be characterised as Islamic rather than Islamist. There is a tension in the country between secularists and Islamists which will take some time to resolve.

The economy had been growing at 3.5% in 2010 but contracted by 2% in 2011. There is high unemployment (15-20% in the cities; 40-50% in the country), especially for skilled workers and for young people. Agriculture accounts for 10% of GDP and tourism, which has suffered badly since the revolution, for 8%. Important exports include olive oil (mainly to Spain) and dates.

Despite this rather anaemic economic performance, there has been a 25% increase in lumber consumption between 2010 and 2011.

The lumber market is characterised by inexpensive imports from Scandinavia, Finland and Romania as well as Austria. It emerged that 4 containers of Southern Yellow Pine had been bought recently via a Swedish trading house (Elof Hanson?). This consignment had not yet arrived.

Comptoir Tunisien de Bâtiment (COTUB). Contact: Bilel Ellouze. E: bilel.ellouze@cotub.com.tn. Tel: +216 71 807 655

Run by Riadh Ben Ayed and with headquarters in Sfax and offices in Tunis, COTUB is the largest importer of wood in Tunisia. It has been in business since 1970, employs 200 people and turns over $100 million per year. COTUB imports lumber from (amongst others) Sweden, Finland, Russia, the Congo (DRC) and Cameroons. They also import MDF from Fantoni and Kronospan.

Meeting with Tunisian importers and agents at UTICA
Our hosts arranged a meeting with a group which represented 80% of all lumber imports to Tunisia. Notable among these and keen to establish links with American exporters was TBS (Tunisian Business Services), Mr Yamen Mlik, who is based in France and Tunisia.

**Radès Port. Mohamed Omrane. E: m.omrane@ommp.nat.tn. Tel: +216 71 448 762**

Although most lumber comes in to the ports of Bizerta and Sfax, it was interesting to see Radès and to hear about expansion plans for the port. One problem that was mentioned was that of lumber gaining weight during the voyage. Lumber is weighed in Tunisia on arrival and if it is found to weigh more than the weight stated on the Bill of Lading, a higher tariff is charged (though still at the rate of 10% for non EU origins). 80% of all container traffic to Tunisia passes through Radès. There are plans to expand container traffic through Bizerta and Sfax. A lot of lumber is imported to Tunisia as break bulk. It emerged that container services from the US Gulf (Mobile, Houston and New Orleans) are now competitive at $2,200-$2,300 per container.

**Scierie Africaine, Sfax.**

Whilst not directly relevant, Sciaf’s sawmill at Sfax gave an interesting insight into both tropical and temperate hardwoods being sawn for the Tunisian market. 5,000 m³ of steamed beech, ash, oak, sapele, Tapi and Mahogany are produced each year.

**La Commerciale du Lac (LCL), Mohammed Tijani Oualha. E: info@comlac.com Tel: +216 71 861 002**

LCL is an agency that operates in Algeria as well as in Tunisia. Mr Oualha works with companies in Austria, Sweden, Finland and Chile. The subject of so called ‘Pitch pine’ came up in discussion. It appears this is what some in North Africa call Southern Yellow Pine. Pitch pine is extremely popular in Libya; some SYP is transhipped to Libya via Italy. Mr Oualha suggested that it would be a good idea to arrange for samples to be sent to Tunisia, to familiarise the market with American species. A demonstration deck could even be assembled in the US and shipped to Tunisia.

**Le Bois. Mohammed Shkiri (father) and Sofien Shkiri (son). shkiri.lebois@planet.tn. Tel: +216 71 854 000**

Le Bois are the second biggest lumber importer in Tunisia. They buy sapele logs from France (previously imported from the DRC), steamed beech from Lefebvre in Normandy, France as well as ash and oak from Burgundy.
They also buy a lot of pine and spruce (for concrete forming) from Setra and Norraskog in Sweden, as well as 63 X 150 Unsorted pine flitches from Sweden.

Sizes imported from Scandinavia are 60 X 200 X 4; 23 X 100 X 4mm.

Mohammed Shkiri said that some regions of Tunisia might be suitable for timber frame houses, mainly for tourism developments.

E. Main contacts

See attached sheet of business cards. Plus:

**Discom. Slim Mehiri. E:** [mehiri.slim@gmail.com](mailto:mehiri.slim@gmail.com) **Tel:** + 216 71 533 196. Discom are agents.

F. Conclusions and Recommendations

As a strategically important ally of the US, Tunisia is a country where it would undoubtedly be good to establish business links. There is a will amongst Tunisian importers to start doing business, which is an encouraging sign. The fact that Tunisia has close links with Libya (a growing market for American softwoods) makes it an attractive business proposition.

Although Tunisia is a market largely dominated by Scandinavian and Finnish producers with relatively low quality products, there is a market for higher quality American softwoods which should be trying to compete with lower cost African hardwoods such as sapele. American producers emphatically should not be trying to compete with low cost lumber of Scandinavian and Romanian origin.

As usual the main barrier to doing business is a lack of awareness and knowledge of American species. Some investment in providing samples and perhaps a demonstration deck will be necessary. It was emphasised on more than one occasion that Tunisia is a conservative country when it comes to accepting lumber from a new country. The only way this diffidence can be overcome is by education and by face to face meetings with importers and end users.

The fact that wood from the US suffers an import tariff of 10% poses a psychological (although not necessarily a commercial) barrier to trade. A demarche to the Tunisian government is being prepared by the US Embassy in Tunis. American Softwoods will provide the Embassy with the necessary information and liaise with the Tunisian import community as appropriate. Even a reduction of the tariff to 5% would be welcome. Lumber from the EU and EEA is zero rated.
Literature needs to be provided in French. Although Arabic literature is acceptable, the current AMSO literature is in Gulf Arabic which has different technical terms to North African Arabic. In the light of this, only French literature should be provided. Although the main business language is French, English is reasonably widely understood.

It would be satisfying to think that this mission was the beginning of a flourishing business relationship between the US softwood industry and Tunisian importers. Time alone will tell and follow up work needs to be done by American Softwoods in conjunction with American exporters.